

Old Age, Disability, Death

First law: 1974.

Current law: 1990.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 2,300 pounds.

Coverage

Employees of firms and agricultural establishments with 5 or more workers. Applies throughout most of the country. Exclusions: Domestic servants, homeworkers, family labor, and self-employed. Special system for public employees and the Armed Forces.

Source of Funds

Insured person: 8% of monthly wages.

Employer: 17% of monthly wages.

Government: None.

(Insured may receive credit for previous years of service, thereby increasing pension, by paying an additional lump sum in accordance with a schedule in the law.)

Qualifying Conditions

Old-age pension: Age 60 (men), 55 (women), and 12 years of contributions. Early retirement for arduous work. Reduced pensions payable at age 45 with 12 years of contribution.

Disability pension: Permanent total incapacity; no qualifying period necessary.

Survivor pension: The insured was a pensioner at death; no qualifying period of contribution necessary.

Old-Age Benefits

Old-age pension: 1/50 of average monthly earnings. Maximum, 75% of earnings. Minimum, 5,250 pounds monthly. Pensioner can substitute part of pension with a lump-sum benefit, without interest. Old-age settlement: Refund of all employer and employee contributions, plus any benefit accrued prior to 1990, payable as lump sum to worker at retirement age if not eligible for pension. Reduced pension: 20% reduction if age 45-49, 15% if 50-54, and 10% if 55-59.

Permanent Disability Benefits

Disability pension: 50% of last year's average monthly earnings; applicable after onset of disability.

Survivor Benefits

Survivor pension: 50% of insured's average monthly earnings in the preceding year, or 100% of old-age pension, whichever is higher. Payable to widow or dependent widower (if more than one widow, divided equally); orphans under age 18 (age 26 if student, no limit if disabled or unmarried daughter), and parents. 100% of pension if full orphan.

Lump sum equal to 42 months' pension, or 42 months' earnings if insured not pensioner at death. Payable to dependent brothers and sisters if no widow, orphan, or parents survive.

Survivor settlement (lump sum) payable if deceased ineligible for pension.

Administrative Organization

Minister of Manpower, general supervision.

National Social Insurance Fund, administration of program; managed by tripartite governing board and director.

A unified governing board was formulated for both the National Social Insurance Fund (NSIF) and the National Pension Fund (NPF).

Work Injury

First law: 1947.

Current law: 1990.

Type of program: Social insurance system.

Coverage

Employed persons.

Exclusions: Family labor, members of the Armed Forces, police, and prison workers.

Source of Funds

Insured person: None.

Employer: 2% of total monthly wage.

Government: None.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: Extent of disability (percent disabled) multiplied by 80% of monthly wage.

Permanent Disability Benefits

Permanent disability pension: Sum equal to 80% of current wage, if totally disabled.

Partial disability: Percent of full benefit proportionate to loss of working capacity.

Workers' Medical Benefits

Medical benefits: Medical treatment and transportation.

Survivor Benefits

Survivor pension: 80% of last year's average monthly wage.

Payable to widow, dependent widower, orphans (under 18 or disabled), unmarried daughter, and parents.

Administrative Organization

Minister of Labor and Administrative Reform, general supervision.

National Social Insurance Fund, administration of program.

Medical care provided by public health services, transportation by employer.

Employers must insure liability with private insurance companies.